GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4571
ANSWERED ON:08.05.2007
RELEASE OF FUND UNDER TUFS
Patel Shri Jivabhai Ambalal;Reddy Shri K. Jayasurya Prakash

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has strengthened and augmented the Technology Upgradation Fund Scheme in all the States;

(b) if so, the details of funds released under the said Scheme during each of the last three years, State/Union Territory-wise;

(c) the names of works for which the amount was released from the said fund and the process involved therein;

(d) the month in which the said amount was released and the financial year for which the said amount was meant for;

(e) whether the Government is providing interest subsidy on term loans in the handloom sector; and

(f) if so, the details thereof during each of the last three years, State-wise and Union Territory-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) : On account of some modifications being under consideration, the Technology Upgradation Fund Scheme (TUFS) is in abeyance, at present.

(b) : The TUFS, being a Central Sector Scheme, funds are not released State/Union Territory-wise. However, during the last three years, the fund released by the Government are as follows:-

Year	Amount released
2004-05	Rs. 283.60 crore
2005-06	Rs. 485.00 crore
2006-07	Rs. 823.93 crore

(c) & (d): Loans under the Scheme are provided by the nodal/co-opted banks and financial institutions to the identified segments of the industry for the projects which are in conformity with the Scheme as well as financial norms of the banks/financial institutions concerned. The Government provides eligible capital subsidy/interest reimbursement/exchange rate coverage to nodal banks which further distribute these among the entrepreneurs. Under the Scheme the subsidy is provided for the following purposes: -

i). 5% interest reimbursement of the normal interest charged by the lending agency on rupee term loan (RTL); or

ii). Coverage of 5% exchange fluctuation from the base rate on foreign currency loan (FCL); or

iii). 15% credit linked capital subsidy for SSI textile and jute sector; or

iv). 20% credit linked capital subsidy for powerloom sector; or

v). 5% interest reimbursement plus 10% capital subsidy for specified processing machinery; or

vi). 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom and post-loom operations, handlooms/Upgradation of handlooms and testing & quality control equipments, for handloom production units.

(e) : No, Sir.

(f) : Does not arise.